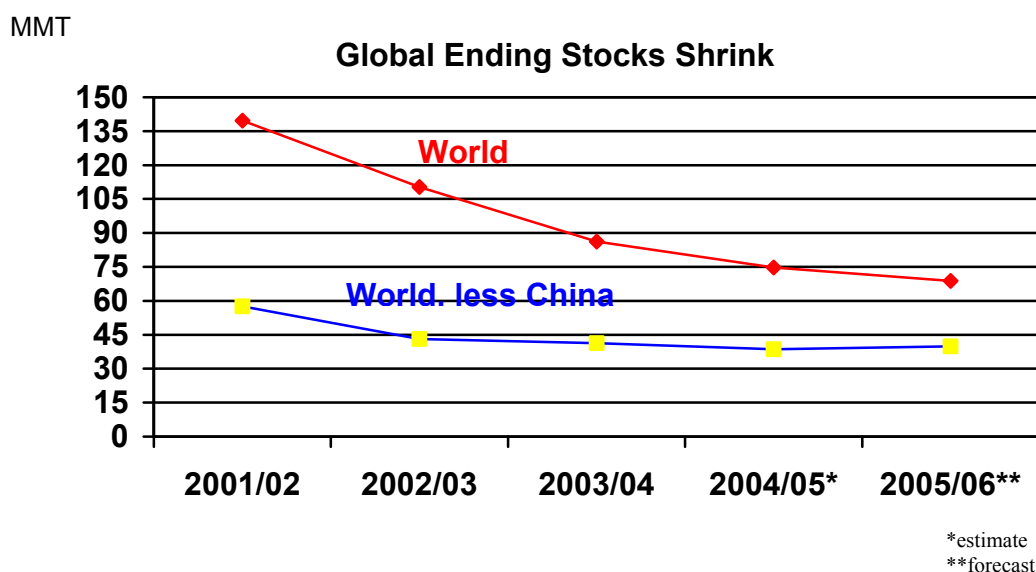
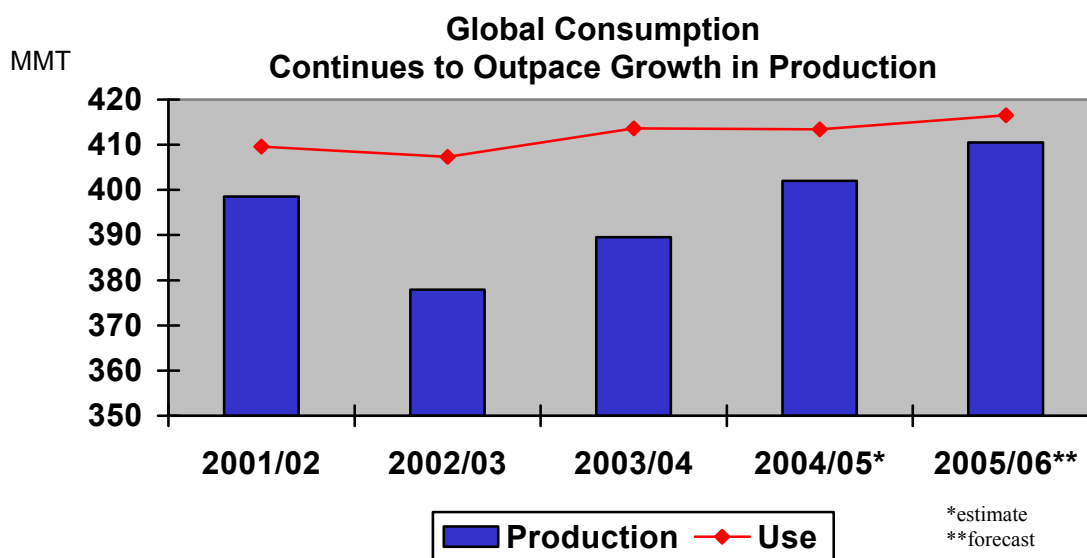
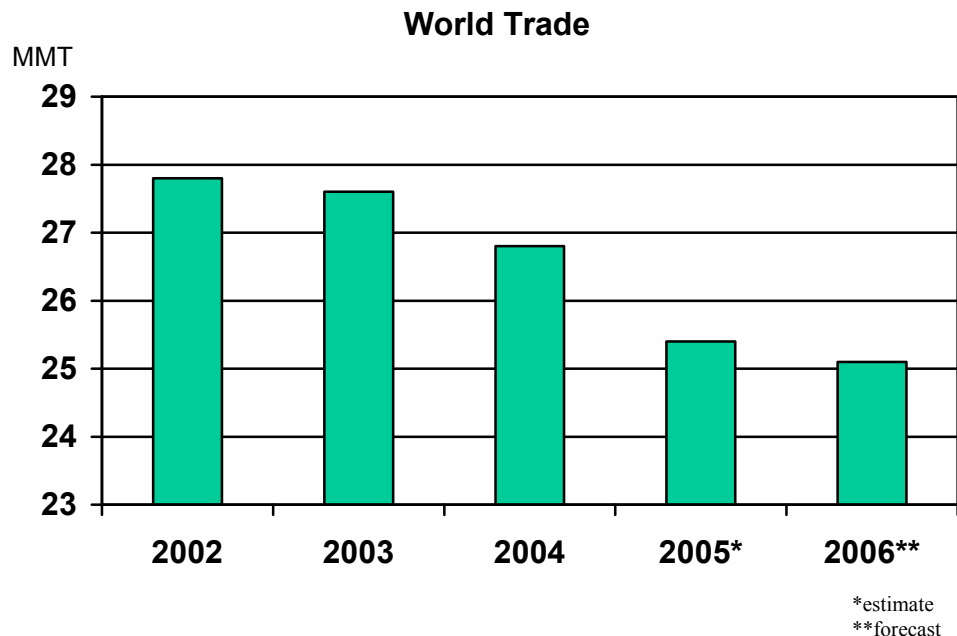

RICE: WORLD MARKETS AND TRADE

Global production in 2005/06 is projected at 410.3 million tons (milled basis), up over 8 million tons from a revised 2004/05 with the largest increases forecast in India, China, Bangladesh, and Thailand. Global consumption continues to outpace production and is expected to grow 3 million tons to 416.6 million. Consequently, ending stocks are expected to continue their downward trajectory, dropping 6 million tons to 68.5 million. However, with the majority of the decline in China, stocks in the rest of the world are forecast to show a minor gain for the first time in 5 years.



Global trade is expected to be relatively flat year-to-year as a significant decline in Philippine import demand is partially offset by smaller gains in Iraq and Nigeria. Indonesia is forecast to remain largely withdrawn from the import market due to another large crop and ample stocks. Meanwhile, Thailand is likely to reduce exports for the second consecutive year due to low carry-over stocks. Vietnam is also anticipated to reduce exports. However, the United States is expected to gain market share with near-record exports forecast due to large exportable supplies.



MONTHLY HIGHLIGHTS 2005

PRICES:

International: Asian prices are still showing a wide divergence between suppliers. In Thailand, prices remain high, sustained by the government intervention program, which was extended to the dry crop. Thai 100B is currently quoted at \$302 per ton, FOB, up \$1 from last month. However, speculation that the government is likely to begin selling intervention stocks could pressure prices. In contrast, prices in Vietnam have fallen throughout the month with ample exportable supplies. Viet 5% is currently quoted at \$257 per ton, FOB, down \$8 from last month. Prices in India remain unchanged; 5% is currently quoted at \$265 per ton, FOB.

Domestic: U.S. prices softened slightly month to month, with U.S. #2/4 long grain milled rice quoted at \$318 per ton, FOB, down \$3. The spread between comparable qualities of Thai and U.S. rice is at a low of \$16 per ton. Prices for U.S. #1/4 medium grain milled rice from California are currently quoted at \$300 per ton, FOB, up \$10 from last month.

TRADE CHANGES IN 2005

Selected Exporters

- **Brazil** is doubled 50,000 to 100,000 tons based on strong shipments of broken rice to Senegal.
- **Burma** is slashed in half to 150,000 tons as private exports remain restricted and the government is likely to hold stocks to exert pressure on domestic prices.
- **Egypt** is boosted 50,000 to 750,000 tons as last year's strong export pace is anticipated to continue.
- **EU-25** is reduced 125,000 to 175,000 tons as intra-trade is likely to expand at the expense of external market sales.
- With over 1.0 million tons exported in the first quarter, **India** is raised 250,000 tons to 3.5 million.
- **Uruguay** is dropped 50,000 to 700,000 tons due to reduced import demand from Brazil.

Selected Importers

- The **Dominican Republic** has been shaved 15,000 to 45,000 tons as the government seems unlikely to issue any further import licenses.
- **Cote d'Ivoire** is boosted 100,000 to 750,000 tons due to stronger than expected import demand.
- **Iraq** is cut 200,000 to 1.0 million tons due to the slow pace of imports, which has caused the government to fall short of its monthly distribution needs.
- As a result of continued strong import demand despite high carry-over stocks, **Saudi Arabia** is increased 100,000 to 1.1 million tons.
- **South Africa** is raised 50,000 to 750,000 due to strong early season import demand.

TRADE CHANGES IN 2004

Selected Exporters

- Changes to **Australia**, **India**, **Pakistan**, and the **EU-25** are based on year-end export statistics.

Selected Importers

- Changes to **El Salvador**, the **EU-25**, **Hong Kong**, **Israel**, **North Korea**, **Singapore**, and **Taiwan** are based on year-end statistics.